



ORIGINAL
IMPERIAL VALLEY BOARD OF REALTORS®
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1850 W. MAIN STREET, SUITE A • EL CENTRO, CA 92243 • PHONE (760) 352-8010 • FAX (760) 352-1136

October 25, 2006

Margie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First St. NE, Room 1A
Washington, DC 20426

Re: Docket Nos. CP06-61-000 and CP01-23-003

Dear Ms. Salas:

CO1-1

The Imperial Valley Board of REALTORS® would like to formally indicate its support for the proposed North Baja Pipeline Expansion Project.

Our Executive Committee has met with the project proponents, and has had the opportunity to review the Draft Environmental Impact Statement/ Environmental Impact Report.

We believe that this project will be beneficial to the Imperial Valley primarily because it will:

1. Provide a new source of natural gas from LNG that will be able to replace the declining supplies of natural gas that have historically provided gas to Southern California,
2. Provide a cost moderating supply of natural gas as the LNG suppliers compete with traditional natural gas providers,
3. Provide improved reliability to Southern California because of the different pipeline route to get gas from producers to Southern California, and
4. Provide significant additional property tax revenue to Imperial County with little of no need for services from the county.

We also believe that the proposed lateral from the North Baja Pipeline system to El Centro will be beneficial because it will:

1. Improve the reliability of the Imperial Irrigation District's El Centro Generating Station by providing an alternate gas transportation route to the plant,
2. Help IID hold down electric rates by providing access to LNG sourced natural gas that is likely to be less expensive than gas from traditional sources, and
3. Provide increased gas transportation capability to Imperial County that will allow further business development to provide new jobs for an area that has a high unemployment rate.

Please make this letter of support a portion of the official record for this proposed project.

Sincerely,

Judy Tagg
2006 President
Imperial Valley Board of REALTORS®

Companies/Organizations

1

CO1-1

The Imperial Valley Board of Realtor's comments expressing support for the proposed Project are noted.

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FEDERAL ENERGY
REGULATORY COMMISSION***Blythe Search, Rescue & Assist***

November 15, 2006

Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street NE: Room 1A
Washington, DC

RE: Docket Nos. CP06-61-000 and CP01-23-003

Dear Ms. Salas,

CO2-1

The team members of Blythe Search, Rescue and Assist wish to voice our support for the proposed North Baja Pipeline Expansion Project.

We believe that this project will benefit all of Southern California, including the Blythe Area and we feel that the employees of TransCanada/North Baja Pipeline have worked diligently to ensure the safety of the residents of the affected areas.

TransCanada/North Baja Pipeline has been very supportive of Blythe Search, Rescue and Assist and other local area emergency service organizations. It seems that they place much emphasis on the safety of their own employees, and of the area's residents. We believe that they warrant community support for their expansion plans. Please register our support for this project.

Sincerely,

Joe W. Hudson, President
Blythe Search, Rescue and Assist
17780 S. Broadway
Blythe, California
92225

760-922-2573 H
909-376-7825 C

Companies/Organizations**2**

CO2-1

Blythe Search, Rescue & Assist's comments expressing support for the proposed Project are noted.

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2006 NOV 24 A 9 01
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FEDERAL ENERGY COMMISSION

Magali R. Salas, Secretary
Federal Energy Regulatory Commission
888 First St. NE: Room 1A
Washington, DC 20426

Attention: Gas1, DG2E

Re: Docket Nos. CP06-61-000 and CP01-23-003

Dear Ms. Salas:

CO3-1 The Greater Yuma Economic Development Corporation wishes to indicate its support for the proposed North Baja Pipeline Expansion Project.

We believe that this project will be beneficial to Southwest Arizona because it will:

1. Provide a new source of natural gas from LNG that will be able to replace the declining supplies of natural gas that have historically provided gas to Southern California, making more gas available to Southwest Arizona,
2. As the LNG suppliers compete with traditional natural gas providers, the additional supply will help moderate costs thereby benefiting all gas users in Southwest Arizona.
3. Provide increased reliability of supply to the region by providing a new gas transportation path tied to a new source of supply.

Also, while there is no current proposal for a connection to the North Baja Pipeline or Gasoducto Bajanorte pipeline systems to the Yuma area, we believe that at some point in the future this might occur. If this were the case, it would be beneficial to the Yuma area because it will allow for another source of natural gas to the region. This could supplement the existing El Paso Natural Gas pipeline that is currently operating at close to capacity at certain times of the year.

Regards,



Chris Carnacho
President/CEO

cc: Tom Filler, California State Lands Commission



170 West 16th Street * Ste 200 * Yuma, Arizona 85364
928 782-7774 * Fax 928 782-7775
www.greateryuma.org

Companies/Organizations

3

CO3-1 The Greater Yuma Economic Development Corporation's comments expressing support for the proposed Project are noted.

WINTERHAVEN FIRE PROTECTION DISTRICT
495 S. 3rd Avenue / P.O. Box 906
Winterhaven, CA 92283
(760)572-0549 Fax (760)572-5615

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November 24, 2006

Magalie R. Salas; Secretary Federal
Energy Regulatory Commission
888 First Street NE: Room 1A
Washington, D.C. 20426

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2006 DEC -8 P 3:31
FEDERAL ENERGY
REGULATORY COMMISSION

Re: Dock Nos. CP06-61-000 and CPO1-23-003

CO4-1

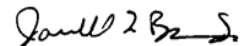
The Winterhaven Volunteer Fire Protection District is expressing their support for the proposed North Baja Pipeline Expansion Project.

The District believes that this project will benefit all of Southern California including Imperial Counties where we are located. TransCanada / North Baja Pipeline employees have worked diligently to ensure the safety of the surrounding area residents of the affected areas.

TransCanada / North Baja have been very supportive of the Winterhaven Volunteer Fire Protection District as well as other surrounding area emergency service organizations.

The Winterhaven Volunteer Fire Protection District is the closest emergency response agency to the current pipeline. We firmly believe that TransCanada / North Baja places much emphasis on the safety of their employees and of the surrounding area residents.

We believe they warrant community support for their expansion plans, in closing please register the Winterhaven Volunteer Fire Protection District for supporting this expansion project. Thank you.


Jarrell L. Brown Sr.
Fire Chief, Winterhaven Fire

Companies/Organizations

4

CO4-1

The Winterhaven Fire Protection District's comments expressing support for the proposed Project are noted. Sections 4.9.4, 4.14.4, and 4.15.5 have been revised to acknowledge this support.

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EHRENBURG FIRE DEPARTMENT

P.O. Box 567 Ehrenberg, AZ 85344
Ph. 928 923.8033 Fax 928 923.1104

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2006 DEC 18 P 3:01
FEDERAL ENERGY COMMISSION

December 11, 2006

Magalie R. Selas, Secretary
Federal Energy Regulatory Commission
888 First St. NE, Room 1A
Washington, DC 20426

Re: Docket Nos. CP06-61-000 and CP01-23-003

Dear Ms. Selas:

CO5-1

The Ehrenberg Fire District since expanding our service area in 2005 would like to voice it's support for the proposed North Baja Pipeline Expansion Project.

As the Fire District moves to finish our own expansion project to include a new 12,000 square foot facility, we look forward to being the first responder to the existing Ehrenberg Compressor Station as well as the portion of this expansion project located in the Ehrenberg Fire District service area.

The growth of the Community, as well as the personnel who serve, makes it extremely important to have a modern facility owned by North Baja. Their commitment to safety, high standards of their operation and excellent staff makes working closely with North Baja Pipeline a pleasure.

Please register our support for this project.


Larry Covei
Board Chairman

Companies/Organizations

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CO5-1

The Ehrenberg Fire Department's comments expressing support for the proposed Project are noted. Sections 4.9.4, 4.14.4, and 4.15.5 have been revised to acknowledge this support.



December 25, 2006

Margalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

Mr. Tom Filler
California State Lands Commission
100 Howe Avenue South, Suite 100
Sacramento, CA 95825

Subject: North Baja Pipeline Expansion Project, FERC Docket Nos. CP01-23-003, CP06-61-000, California State Lands Commission EIR No. 739, State Clearinghouse No. 2006081127, BLM Reference No. CACA-42662

Dear Ms. Salas and Mr. Filler:

CO6-1 I have reviewed the Draft Environmental Impact Statement for North Baja Pipeline Expansion Project (NBPEP) and see two substantive deficiencies with the proposed project as defined that must be mitigated before a Presidential Permit is granted. The purpose of the NBPEP is to move natural gas from the Semptra liquefied natural gas (LNG) import terminal in Baja California to markets in California and Arizona. One deficiency is the failure of the project proponent to incorporate the use of selective catalytic reduction (SCR) for nitrogen oxide (NO_x) control on the two compressor stations, as explained below:

1. The potential nitrogen oxide (NO_x) emissions from the two compressor stations associated with NBPEP sum to 571 tons per year (tpy) per Table 4.15.8-3. The purpose of these two compressor stations is to move natural gas beyond existing users in Baja California to markets in California and Arizona. The gas turbines at these compressor stations will not be equipped with advanced NO_x control known as selective catalytic reduction (SCR). Best available control technology (BACT) for gas turbines of similar size anywhere in California or Arizona is 5 ppm.
2. There is no question that these two compressor stations are an integral part of the pipeline project itself.
3. The wind blows north from the Mexicali area approximately 40 percent of the time per meteorological wind rose analysis in DOE/EIS-0365 (December 2004).
4. This means up to 228 tpy of NO_x (571 tpy × 0.40) would enter Imperial County as a direct result of the proposed project. This is far above the federal conformity rule trigger level of 100 tpy for NO_x (see p. 4-201 for conformity rule discussion).
5. The U.S. owners of two export power plants in Mexicali installed SCR on all gas turbines at those power plants to limit NO_x emissions as a pre-requisite to applying for Presidential Permits in 2001. See DOE/EIS-0365. These SCR controls reduce NO_x emissions by 90 percent or more.

Use of SCR in this case would reduce compressor station NO_x emissions impacting Imperial County to less than 23 tpy.

Companies/Organizations

6

CO6-1 See the response to comment FA6-3.

Page 2 of 3
Ms. Margalie Salas
December 25, 2006

CO6-2 A second deficiency is the failure of the DEIS to analyze the impact of "hot" natural gas on the air quality in the urban airsheds of Los Angeles, Phoenix, and San Diego where the vast majority of the natural will be used. The action by the California Public Utilities Commission (CPUC) to relax the Southern California Gas Company Rule 30 gas quality specification in October 2006 is highly contentious and will face a legal challenge. It is highly contentious for two reasons: 1) the relaxation of the gas quality specification could result in an additional NO_x burden equivalent to several new utility power plants in the Los Angeles area alone, and 2) the ruling favors a single company, Sempra Energy, as all other LNG project proponents proposing to serve the Southern California market had already agreed that their imported LNG would meet the Southern California Gas Company Rule 30 gas quality specification.

The obvious alternatives to the NBPEP that mitigate the hot gas issue are: 1) greater reliance on domestic natural gas resources in the Rockies, an area of dramatic natural gas production growth with low prices due to limited pipeline access to major Southwest markets like Los Angeles and Phoenix (see Attachment 1), or 2) all other LNG projects proposed for the West Coast that have already agreed to only import LNG that meets the unmodified Southern California Gas Company Rule 30 gas quality specification. Table 3.2.2-1 (below) from the DEIS lists these competing LNG projects.

TABLE 3.2.2-1 Proposed LNG Import Terminals and Pipelines in California					
Proponent	Project Name	Location/Type	Proposed Capacity in MMscfd (average/peak)	Anticipated In-Service Date ^a	Needed Pipeline Construction
BHP Billiton	Cabrillo Port LNG Deepwater Port Project	Offshore Oxnard, CA/New Facility	800/1,500	2010	two 21.5-mile-long, 24-inch-diameter offshore pipelines; 14.3-mile-long, 36-inch-diameter pipeline; and 7.7-mile-long, 30-inch-diameter onshore pipeline
North Star Natural Gas	Cleanwater Port Project	Offshore Oxnard, CA/Conversion of Oil Platform Grace	800/1,200	2009	12.6-mile-long, 32-inch-diameter offshore pipeline and 12-mile-long, 36-inch-diameter onshore pipeline
SES Terminal LLC	Long Beach LNG Import Project	Long Beach, CA/New Facility	700/800	2010	2.3-mile-long, 36-inch-diameter onshore pipeline and 4.6-mile-long, 10-inch-diameter onshore pipeline

^a All projects are undergoing delays in the environmental review process and the in-service dates, if the projects were approved, potentially would be later.
Source: CEC 2004, FERC and POLB 2005.

As the DEIS correctly states (p. 3-7): "Each of these projects, if built, could provide southern California with access to LNG-source gas."

The DEIS goes on to state (p. 3-7): "While it would not be infeasible for SoCal Gas to transport gas from the BHP Billiton or SES Terminal LLC projects to the southwestern United States, none of these terminals has yet to receive regulatory approval; therefore, it is unlikely that any of

CO6-2 See the responses to comments PM1-1, PM1-4, LA16-1, and LA16-6 through LA16-8. The purpose and need for the Project are discussed in Section 1.1. Section 1.1 has been revised to state that the natural gas currently transported on the SoCalGas system between Blythe and the Los Angeles metropolitan area comes entirely from the San Juan and Permian Basins, which are in decline or are projected to go into decline in the relatively near future. While the gas in the Rockies Basin is not declining, the only pipeline system that supplies significant amounts of gas from the Rockies to southern California is the Kern River system, which is currently operating at close to capacity. There are no known plans to expand the Kern River system. The other projects currently planned to transport gas from the Rockies will carry the gas to the east away from California.

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Ms. Margalie Salas
December 25, 2006

CO6-2
(cont'd) *these projects would be in service before 2010. The proposed Project could allow LNG-source gas to flow into California and southwestern U.S. markets by early 2008."*

The United States is currently experiencing an unprecedented glut in natural gas. Natural gas storage is at historic highs. Rockies natural gas is consistently selling below \$5/MMBtu, and has dropped as low as \$2.50/MMBtu in the past few months. China is the LNG demand growth market in the Pacific Rim. China now links the price it will pay for LNG to the price of oil, as does Japan. With oil at approximately \$60 per barrel, this equates to an LNG price of approximately \$6/MMBtu. See **Attachment 2**. If China will pay \$6/MMBtu for LNG, transporting LNG across the Pacific to the California market will require a price closer to \$7/MMBtu to be competitive. There is no clear reason why it is in the benefit of the U.S. to authorize the importation of expensive hot gas on a fast-track schedule when such gas will further compromise the air quality of urban centers in the Southwest when much less expensive and cooler regional natural gas supplies are available to serve the same purpose.

CO6-3 The California Attorney General filed an October 27, 2006 amicus brief opposing the introduction of hot gas into California in response to the CPUC ruling. The Attorney General's amicus brief is provided as **Attachment 3**. The CPUC's ruling favoring a single LNG import company will almost certainly be litigated. FERC has an obligation under NEPA to thorough assess the negative impact of the use of hot gas, which could occur if a Presidential Permit is granted in this case, on highly contaminated urban airsheds of Los Angeles and Phoenix in the EIS. One obvious alternative available to FERC to mitigate the impact of hot gas is to simply require that the natural gas flowing in the NBPEP meets, within some reasonable level of variability, the quality of natural gas currently flowing in the Southwest natural gas transmission pipeline system.

Please contact me at (619) 295-2072 or billp@borderpowerplants.org if you have any questions about this letter.

Best regards,

Bill Powers, P.E.

Bill Powers, P.E., U.S. Co-Chair
Border Power Plant Working Group

Attachments:

1. DOE primer on Rocky Mountain natural gas potential (September 2003)
2. News brief – China will pay \$6/MMBtu for LNG (December 2006)
3. California Attorney General amicus brief – hot gas issue (October 2006)

cc: U.S. Senator Dianne Feinstein U.S. Congressman Bob Filner
U.S. Senator Barbara Boxer U.S. Congressman Duncan Hunter
U.S. Congresswoman Susan Davis

Companies/Organizations

CO6-3 See the responses to comments PM1-1, PM1-4, LA16-1, and LA16-6 through LA16-8.

Attachments to this letter are too voluminous to include in this EIS/EIR. They are available for public inspection from the FERC's Office of External Affairs at 1-866-208-FERC or on the FERC Internet website (www.ferc.gov) using the eLibrary link. Click on the eLibrary link, click on "General Search," and enter the docket number excluding the last three digits in the Docket Number field (i.e., CP06-61). Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free at 1-866-208-3676, or for TTY, contact (202) 502-8659. **The Category/Accession number for this submittal is 20061226-5022.**

Companies/Organizations